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### Cross-border payments: welcoming the new political impetus

Under the Saudi Arabian leadership of the G20, the FSB and CPMI embarked on an ambitious work programme to improve the efficiency of cross-border payments. Last month, EU finance ministers adopted important Conclusions to improve the retail payments market in the EU. Western Union is one of the world's leading providers offering efficient cross-border payments to its customers across the globe. It might therefore surprise some to hear that we are big supporters of the recent policy initiatives.

The payment industry has always been at the forefront of technological and societal changes. It has had to adapt to new consumer behaviours and needs. The industry is continuously innovating to make the payment process as seamless, efficient and secure as possible. Today, we are seeing a lot of collaboration across the industry. One good example is the Western Union platform. More and more FinTech companies come to us to use our payment platform to access our global network and agents to be present in all parts of the world.

The regulatory and supervisory community needs to be part of this collaborative approach. This is where we believe the CPMI work is of critical importance. The CPMI sets out a number of important building blocks that, if implemented, would make a big difference: aligning regulatory and supervisory approaches, promoting the interoperability of payment infrastructures and contributing to standard setting on data exchange. While local rules, regulations and consumer protection requirements need to ensure that payments remain safe and secure, they should not unduly fragment the ability of the industry to deliver cross-border payments or stifle innovation in the industry, nor should it favour one payment solution over another.

If we look at our business today, customers are increasingly opting for digital payment solutions. This brings efficiency and helps to reduce costs. Nonetheless, digital payments are not in themselves the solution for making cross-border payments more efficient. Many customers, not least in remote and rural communities that require the necessary investment in digital infrastructure or banking network, still rely heavily on cash.

How can the EU contribute to the international agenda? We welcome the Retail Payments Roadmap as a constructive way forward. It rightly

identifies a number of important actions:

- The move to a harmonized KYC and e-onboarding framework will contribute to cost-efficient and more effective compliance. Such initiative should importantly find ways to incorporate offline customers so that these too profit from the new rules.

- The commitment to encourage, not hamper the appetite of industry to invest and innovate in the safety, security and efficiency of payments. Differences in national implementation of AML, data privacy and consumer protection are creating barriers to scaling up business solutions across the EU and internationally.

- The commitment by the ECB, European Commission and the National Central Banks to have clarity on the real-world applications of the CBDCs including Digital Euro and the options for public-private collaboration when embarking on those new projects.